

HOUSING LEASE FUTURES

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LEASE CONSULTATION

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GENERAL MEETING DECISIONS

A general meeting of members on 9 May 2011 at the Dandenong Club considered progress by SEHC in developing a new lease.

There were 75 in attendance at the meeting.

There were a number of important decisions made by the general meeting of members on the 9 May 2011.

These will be available in the official minute of the meeting.

In brief, the general meeting supported:

Renewing the 2004 leases of all former Moorabbin Rental Housing Co-operative members.

The new lease developed by the Lease Sub Committee to be renewable.

That terms of reference for all meetings of the co-operative be developed including general meetings, other member meetings and board meetings.

That there be a general meeting of members on the 25 July 2011 to vote on a new lease.

There were also a number of issues it was agreed that the board needed to work with members on:



Carol Fountain, the Independent Facilitator, for the general meeting, emphasized that she was not interested in history. Carol was on the board of CEHL for 16 years and Chair for 12. At the end of the meeting there was a round of applause in acknowledgement of Carol's contribution to the meeting.

Improved communications between the board, management and members.

Deciding on the number of meetings to be organized each year by the co-operative and on what basis.

The nature of a public record of board meetings to be published on the SEHC web site and to be made available to members.

Commenting on the meeting, Shirley Faram, SEHC Chairperson, was optimistic. "It was a good meeting. Members listened to each other and a lot of members took the opportunity to speak and ask questions."

CHAIRPERSON'S "NEW BEGINNING".



Shirley, SEHC Chairperson (C) with Jan ® (L) and Avril (R)

Shirley was pleased with the attendance.

"There was debate without rancor—demonstrating how it is possible to disagree respectfully," said Shirley

She said the discussion was polite, calm and reasonable.

She said there were a number of issues that had been identified for the board and members to work together on.

She said that the point of a co-operative was member own-

ership and control.

"We are at a critical time in the history of SEHC and the choices made by the board and members will determine the future of SEHC."

"It is an opportunity given to us by the Housing Registrar and CEHL is assisting us to seize this opportunity."

"The Lease Sub Committee is a successful example of how the board and members can work together. It is a new beginning"

PERFORMANCE STANDARDS

What are the Housing Registrar's performance standards for all registered agencies?

Governance of the agency—The agency must be governed effectively at all times.

Management of the agency—The agency must be managed effectively to achieve the outcomes of its business plan in a timely manner and within a continuous improvement framework.

Probity—Decisions relating to the business and functions of the agency must be made ethically, and conform to the agency's code of conduct.

Financial viability—the agency must remain financially viable and solvent to the satisfaction of the Registrar at all times.

Tenancy Management—The agency must provide effective tenancy management.

Housing management and maintenance—The agency must maintain its housing stock to a high standard.

These performance standards govern the relationship between all registered agencies and the Registrar of Housing Agencies,

The performance standards also expect agencies to consider and incorporate relevant aspects of the National Community Housing Standards (2010)

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

DIRECTOR DUTIES AND RESPONSIBILITIES

Generally, responsibility for managing SEHC is the board of directors.

Challenging and Onerous

It is a challenging and onerous responsibility. Directors attend at least 11 board meetings a year and can serve on one of three committees of the board—Audit, Business Development and Governance and Policy

Five Major Categories

There are five major categories of director duties:

The duty to act in good faith (honestly) in the interests of the co-operative.

The duty to act with reasonable care—exercising care and diligence in all aspects of their activities with the co-operative.

The duty to act for a proper purpose—directors should not abuse their given pow-

ers and discretions.

The duty to retain discretions—individual directors cannot abdicate responsibility for decision-making.

The duty to avoid conflicts of interest—directors should not place themselves in a position where there is an actual or substantial possibility of a conflict between personal interest and their duty to act in the interests of the co-operative.

THE SPEAKERS AT THE GENERAL MEETING

The Housing Registrar, Anthony Hardy, commented inter alia:

- Why the Housing Registrar had taken action.
- There were problems with the way the new tenancy agreement had been developed.
- SEHC had been instructed to work with DHS to come to a new lease that met the needs of the landlord and the people living in the properties,.
- SEHC was lacking in performance standards
- CEHL was invited to work with SEHC on the performance issues because it was wedded to the co-operative movement and understood the problems of co-operatives. The board had been very

positive and responsive to the Housing Registrar and CEHL.



John McNerney, Managing Director, CEHL

In his address to the meeting, the General Manager of CEHL, John McNerney. Commented inter alia:

- That there are performance standards that needed to be picked up but that it was fair to say these problems were not insurmountable.
- The board was committed to reform and had admitted there had been mistakes.
- The challenge was to rebuild rather than pull

down.

- The board was committed to continuing as an independent co-operative and needed the support of members.
- There was a need to improve communication between members, the board and management.
- That good progress was being made on the lease issue.
- It was necessary to say we have a problem and we have got to fix it – to move forward and not backwards.



From L to R: Helen, Christine, Kathleen and Mark at the general meeting

Co-operatives are enterprises that put people at the centre of their business and not capital. Co-operatives are business enterprises and thus can be defined in terms of three basic interests: ownership, control, and beneficiary. Only in the co-operative enterprise are all three interests vested directly in the hands of the user.

GENERAL MANAGER IAN McLAREN

Ian McLaren was appointed General Manager of SEHC on 11/02/2011 following the departure of Greg Flynn.

Ian joined SEHC as Chief Financial Officer on 10/05/2010

Reflecting on his work, Ian commented: "It is a challenging time for SEHC—creating extra pressures and work for all staff."

"Our ability to rise to the challenge of appropriately responding to the Housing Registrar directives and the need to properly work with members on the development of a new lease places enormous

pressure on all staff."

"The staff have responded well to the challenge."

"The staff are also aware that a key commitment of the board is to retain staff in an independent co-operative."

"While I believe there has been considerable progress, there is still a lot of work to be done collectively in satisfying the directives of the Housing Registrar."

Ian can be contacted on 9706 8005 or email, ian.mclaren@sehc.org.au



19.05.2011

LEASE SUB COMMITTEE

**General
Meeting
7.00—9.00
PM
25 July 2011
Vote on a
2011 Lease**

The consultation process is an initiative of the board - decided at a meeting on 17 December 2010—before receiving and knowing about the Housing Registrar's 13 January 2011 directive.

The Lease Sub Committee is a Sub Committee of the Governance and Policy Committee of the board.

The members of the Lease Sub Committee:

Shirley Faram, Chairperson

Natalie Leddick, Acting Secretary

Andrea Lee, Director

Melinda Jonstone

Andrea Lenon

Greg Nolan

Michaline Sweeney

Maggie Tucker

Ian McLaren, General Manager

Joy Haynes, Tenancy Officer

The Sub Committee has met three times—15 April, 6 and 13 May 2011. The Sub Committee has developed a new draft 2011 Lease. The Lease Sub-Committee will be meeting again on the 3 June 2011.

The draft 2011 Lease has been referred to Common Equity Housing Limited for comment.

At the general meeting the Housing Registrar's Anthony Hardy suggested the draft lease could go to members on the 25 July 2011 before DHS. DHS is being informed of this proposed course of action.

It will be considered by the board of SEHC on the 27 May 2011. The board will examine the lease and make a determination of what recommendation to make to members on the draft 2011 Lease.

After the board has reached a decision on the proposed 2011 Lease, it will be released to all members on the 30 May 2011 in the last issue of the Housing Lease Futures newsletter.

Explained SEHC Chairperson, Shirley Faram, "it is important that the proposed lease is released to all members at the same time. All our members are members of one co-operative."

Members will be invited to provide comment on the 2011 Lease before the general meeting on the 25 July 2011 is held to vote on the 2011 Lease.

Comments Shirley, "It is hoped that members will agree that the lease Sub Committee has done a terrific job and that the new 2011 Lease is superior to the 2004 and 2010 leases."

The Lease Sub Committee meeting on the 3 June 2011 will be able to consider any comments from both CEHL and the SEHC board.

Authorised by Shirley Faram, on behalf of the SEHC Board,
19 April 2011. SouthEast Housing Co-operative Ltd, PO Box
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